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Atari Online News, Etc.
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->From the Editor's Keyboard "Saying it like it is!"
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You're hearing it here first, folks - there really is a sun out there! I have to follow that up, however, with the fact that it only appeared briefly this week - after eight straight days of rainy weather! And more rain is likely as you read this. Okay, can we safely state that the drought in the Northeast is over? By the time I get to mow my lawn again, I'll need a scythe to hack it down! I think it's time to get out of this rut of lousy weather, once and for all!

I don't have a lot to say this week, even with the continuing news about the anti-spam campaigns. Things at work have been hectic. It's that annual budget season which is always a stressful experience. And we're also in the midst of putting in two new systems in the hospital, which is always an experience to behold. Naturally we're all trying to clean up the old systems so the new ones will be clean. Been there, done that, yeah right! All the planning in the world can't anticipate everything; and stuff happens. This time next month should prove very interesting!

Until next time...

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The Unofficial XaAES Page

Hi all,

When XaAES, the freeware AES for MiNT, was integrated with the FreeMiNT CVS a while ago, it opened up possibilities for better coordinated efforts when it comes to updating the sources. And it surely has proved to be worth that effort! Recent patches has most noticeably improved the mouse response and also cured a few other quirks. But as not everyone can use CVS and compile their own binaries there has been a need for a place where test builds can be downloaded, and where information on the project in general can be presented.

To fill that void, the unofficial XaAES page has been created. It is by no means complete, and lots of things will surely be added along the

way, but you can already get the latest binaries (030) and also share your thoughts on XaAES with others on the site forum. In the near future you'll be able to browse docs, and check out screenshots on the new site.

The most recent development snapshot is dated April 23, and contains a bug fix that should allow Interface to run under XaAES again.

URL: http://xaaes.atariforge.net

Regards,

Joakim

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PEOPLE ARE TALKING
compiled by Joe Mirando
joe@atarinews.org

Hidi ho friends and neighbors. First of all, let me apologize for not having a column last week. Things have been a little strange since my primary computer curled up its digital toes and gave up the ghost. Under the best circumstances the loss of my main computer wouldn't have caused me to miss an issue, but these were not the best circumstances.

It's just as well, because I've been thinking all week about what I want to say this time around.

Late last week, I read an online news article about the availability of "The Matrix Reloaded" on the internet, and the peer-to-peer application that made it possible. The app itself is rather ingenious in that it uses those machines downloading files to also upload them to others. That, in and of itself, is a really neat idea and, at least at first glance, the application does a good job of implementation.

Having said that, let's take a look at the other half of the news story... the availability of a big-time movie that isn't officially available.

This happens all the time... some guy goes into a movie theater with a handheld video camera and ends up with a grainy, barely focused second generation copy with bad audio and shadows from peoples' heads all over the place (a la Seinfeld).

This copy of The Matrix Reloaded, however, is supposed to be a very good copy which even includes SurroundSound coding. If that is the case, then we're not talking about the camcorder scenario anymore. We're talking about someone with access to either a digital copy or a film print. That smacks of an "inside job".

None of this surprises me. There will always be someone willing to feed and nurture the wants of the teaming masses.

What does surprise me is the way in which some people will try to convince themselves that appropriating an illegal copy of someone else’s property (intellectual, artistic, or whatever) isn’t really stealing.

It breaks my heart to think that, after all the mentions I’d made about software piracy back in the glory days of the ST, people still have the same excuses for validating the illegal appropriation of someone else’s property.

I can remember someone back then saying that copying commercial programs and distributing them for free was actually a good thing in a market as small as ours because it got the program and the author out into the public eye. That line of reasoning is being used again.

Then there was someone who actually told me that sheer high price or lack of availability was reason enough to distribute someone else’s property.

Sometimes, all I can do is shake my head. We’re now almost 20 years farther down the road than when I first heard the term "computer pirate", and the issues and excuses are the same as they were back then.

I think that part of the problem is the term "pirate". The word evokes some romantic images... hearty men who did as they pleased and feared no one, proud sailing ships that savaged convoys with impunity, enough purloined goods to assure a comfortable existence for the crew of a marauding ship for the balance of their lives.

Unfortunately, such is not the case. And in fact, it wasn’t even the case back in the days of eyepatch-wearing, peg-legged, buccaneer. Most pirates lived a meager, day-to-day existence, dared attack only small, unprotected ships, and ran for their lives whenever "the law" appeared.

In my opinion, there are many terms for what we call software pirates that would be much more effective. "Skeezy lowlife" and "self-involved weasel" come to mind, but perhaps the simplest term is the best in this case...

Thief.

Because when all is said and done, it’s not our decision about how a program or movie is distributed or priced.

Some will argue that this doesn’t fit the definition of theft because you are not actually depriving the owner of his, her, or their property.

That’s a bogus argument too... while it is true that you may not be depriving them of the movie or program itself, you ARE depriving them of their control over it and of any revenues that your use or viewing might have netted them. You’re not stealing the movie or the program so much as you’re stealing their rights.

It’s one thing if an intellectual property is intended to be given freely. It’s another entirely if that decision is taken out of the hands of the owner. It’s just wrong. Do you really need more than that?

Well, enough of that. Let’s get to the news, hints, tips, and info from the UseNet.

From the comp.sys.atari.st NewsGroup
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'Tony' asks about the TT's capabilities:

"How is the TT in terms of compatibility, functionality, and graphics. The reason i'm asking is that I like the MegaSTE/TT style case, and I have a stock Falcon that i might want to trade. The TT can hook up to a VGA monitor right out of the box, right?"

'Harry' tells Tony:

"If anything, the TT's more compatible with software (not Falcon software obviously) than the Falcon. It came out so early that more stuff was written to support it from the outset.

(S)VGA out of the box, yes. But not Atari monitors except for those 1280*960 ECL monitor thingies."

Ken Springer adds:

"Atari sold a color monitor for the TT under the Atari name, the PTC 1426. I believe it was made by Phillips.

I'm planning on selling this monitor on Ebay as I don't use it anymore, just the B%W monitor. If anyone would like it, make me a decent offer."

Charles Richmond asks about converting an old floppy-booting 520ST to boot from ROM:

"I know that the Atari ST crowd is a clever bunch. So has anyone developed detailed plans for converting a 520 ST to boot from TOS ROM's??? I have a 520 and would like to be able to boot it from ROM's."

Matthias Arndt tells Charles:

"All you need is a 192K EEprom set with TOS burned in.
The old plain 520ST already has the ROM sockets on the motherboard so all you need to do is to replace the boot roms with a complete TOS.

Try searching the leftover Atari vendors for a set of TOS 1.4 chips. That is the latest version that runs in the 520ST without further modifications. If that fails you can get a TOS image from the net, split the file into the correct chunks (programs exist for that) and burn them in to eproms. Make sure to get the 6 chip set and not the more modern 2 chip one."

Charles asks Matthias:

"If I can get access to the TOS ROM's from an old 1040 ST, could I get someone to clone those for me??? That should work, right???"

Greg Goodwin tells Charles:

"If desired, I have a set of 1.00 free for the asking."

Martin Tarenskeen asks...

"Has anyone tried the new Papyrus X! yet ? Most likely someone from the

German readers here, but the Papyrus website promises that this version will be available in English soon too."

Edward Baiz tells Martin:

"No, I had not heard about this. I have Papyrus 8. I am going to check this out. Thanks for the info."

Grzegorz Pawlik tells Edward:

"But Papyrus X does not work on Atari. This is a Windows version."

'Tomas' tells Grzegorz:

"The demo is Windows only, but all the other version (including Atari) are expected at the end of may."

Edward now asks Tomas:

"Really??? I had not heard that. Where did you read this???"

Martin Elsaesser tells Edward:

"On the homepage of R.O.M.: "Papyrus X! comes in the new version with many useful features for all platforms (Non-Windows versions end of may) and for the Apple Macintosh as an extension of the OS palette (as soon as possible)." In the news of <http://www.st-computer.net> I read the announcement that Papyrus X! for OS/2 and Atari comes in the summer, because the Windows version is the main version and the Macintosh version is the next."

Maurits van de Kamp tells Edward:

"Ah so you missed Papyrus 9 too.

Yes they are expecting an Atari version of Papyrus X as well, even though they stopped giving their development-guarantee at the previous release. Nice to see they keep trying.

Since my most important workstations are a MiNT TT and an OSX Mac, I'd love to have an office package that works on both (without emulator stuff), and is better than m$ junk (which Papyrus is)."

Derryck Croker tells everyone involved:

"Visitors to the JagFest next month in Rochester here in the UK next month will be able to test-drive Papyrus X on a Falcon, if Nick gets it in time.  http://www.1632systems.co.uk/ "

Greg Goodwin asks about Falcon repair:

"Well, last night I killed a Falcon.

I was attempting a recase into a Wizztronics Falcon Rack and what worked perfectly (with the Wizztronics power supply I might add) now doesn't provide a display.  (The monitor notices that something is there, but it can't display it.)  I have no idea what I did -- microcracking the motherboard, static discharge to a chip, bad ground -- I thought I was taking all precautions, but obviously I wasn't

careful enough.

Thus, is there anyone in the US who has had a dead Falcon repaired recently?  I've spent so much on getting ready for the CT60 that I'd rather not give up on the project."

'Mark' asks Greg:

"Have you tried using the original power supply with your Falcon?"

Greg tells Mark:

"Traded it for the case.  Anyhow, I have confidence in the PS.  I ran the Falcon off of it (via a little extension cable) for several days, and the multimeter shows it giving off a nice consistent 5.2VDC."

'Mike' adds his thoughts:

"Did you install the cap that comes with the Rack to help ramp up the PC power supply?

Recheck the DMA buffer mod, be sure nothing came loose there. That is where most of my mistakes have been.

Wizztronics will work on a Falcon still I think, expensive.
Alex at ATY computer is pretty much the standard as far as repairmen go for the Falcon."

Joseph Place adds:

"I had a similar problem when working on my Falcon once.  It turned out that one of the jumper wires on the DMA buffer mod had come loose.
I could hear the Falcon booting, but I had no video."

Steve Green asks about his new Stacy:

"Hi all, funny to post here again, first time in 3 yrs!

Much to my surprise I've obtained a STacy 2. Though I've owned two of these beasties before (and savagely killed them, sorry) I can't remember two essential things.

1) the monitor detect pin, is it earthed to enable colour output on an external monitor?

2) the batt connections, how does that work. There are a pair of two pin connectors in the batt bay. I know the STacy is a bugger with batts anyway but I'd still like the option of 1/2 hour use away from the mains, any ideas?

Save this STacy before I start to fiddle!"

Steve Sweet answers the one about the monitor detect:

"Its a mono detect pin, ground it to obtain ST-high on a Mono monitor."

Carey Christenson asks about one of the ports on the back of a Falcon:

"I am sure this has been asked a million times but I have yet to have seen this mentioned in CSAST.  But what is the DSP port on the back of

the Falcon used for???  Makes me very curious and want to tackle another MOD on my Falcon as soon as I have the CT60 installed."

Adan Klobukowski tells Carey:

"Most people fit external DSP clock there, so they can replay/record 44kHz and 48kHz samples without interpolation.

It may be used for many more things for sure."

Well folks, that's it for this week. Tune in again next week, same time, same station, and be ready to listen to what they are saying when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - Sega Mulls EA Sales Alliance!
  """""""""""""""""""""""""""""""  Nintendo "Roughs Up Its Games!
                                  New 'PSX' Machine?!

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->A-ONE's Game Console Industry News - The Latest Gaming News!
  """""""""""""""""""""""""""""""""""

Sony Unveils New 'PSX' Game Machine, Mum on 'PS3'

Sony Corp, under pressure to cut costs and roll out hot new products after dismal earnings news, unveiled a game machine on Wednesday, the "PSX," that puts a TV tuner, DVD recorder and game player in a single box.

It marked the second announcement in two weeks of a new gaming gadget by the world's largest consumer electronics maker, which is eager to inject some of the pizazz of its best-selling PlayStation 2 into its languishing home electronics line-up.

But Sony remained coy on when it might unveil a whole new generation of game devices to succeed the PlayStation 2, which will finally recoup its huge investment costs this year and has become a profit driver for the company.

"That will be a business decision," Ken Kutaragi, Sony's executive deputy president and head of its game unit, told Reuters when pressed on the subject after a media briefing.

Speculation has heated up on when a new game machine, which many presume

will be a "PlayStation 3," may debut.

Several analysts are talking about late 2004 or early 2005, but the company faces some complex calculations as it seeks both to wring profits from the PlayStation 2 for as long as possible and to stay ahead of rivals like Microsoft Corp's Xbox.

The PSX, which will include a hard-disk drive and broadcast satellite tuner, is due for launch in Japan this year and in Europe and the United States early next year as an all-in-one entertainment device for games, music and moving pictures.

Earlier this month Sony unveiled the "PSP" hand-held game machine, to be launched by the end of 2004, which spurred a tumble in the shares of GameBoy maker Nintendo Co.

Wednesday's strategy briefing with Sony's top brass offered no new clues, however, on possible factory closures or job cuts to yield the cost savings Sony has promised from its vast manufacturing base in Japan.

"We hope to come up with comprehensive details before speculation gets out of hand," Sony President and Chief Operating Officer Kunitake Ando told the briefing. "We would like to announce final plans before October."

Analysts and investors say such restructuring efforts are as vital as hit products if Sony is to secure respectable profits.

"The ball is firmly in their court because I think they can do a lot on the cost side, which they haven't started doing," said Jeremy Hall, associate director of Japanese equities at Henderson Global Investors (Japan) KK.

"If they started surprising on that front, then you could easily make a much more bullish case on Sony."

Sony rattled investors a month ago by posting its biggest quarterly net loss in more than eight years, far worse than the market's expectations, and warning that operating profit in the year to next March would slip to its lowest in nine years.

Sony lost one-fourth of its market value in the two days after the April earnings announcement and its share price has since languished near seven-year lows.

The shares ended Wednesday trade unchanged at 3,000 yen, underperforming a 1.7 percent rise in the Tokyo Stock Exchange's electrical machinery index IELEC.

The briefing began after the Tokyo share market closed.

Sony Chairman Nobuyuki Idei said his company ended talks with overseas firms, which included Dutch insurer Aegon NV, on a possible equity stake in its life insurance unit.

He added Sony would consider splitting its financial businesses, which include an online bank, into a separate unit for possible alliances or an initial public offering.

# Sega Mulling Sales Ties with EA

Japan’s Sega Corp said on Tuesday it was considering an offer from top U.S. video game producer Electronic Arts Inc. (EA) to form a North American sales alliance aimed at shoring up its poor performance in the world’s largest gaming market.

Sega Senior Officer Hisao Oguchi, who takes over as president of the Japanese game maker in June, told Reuters in an interview that it had already received an offer to join hands with Electronic Arts Inc. on North American sales of consumer video games.

But Oguchi declined to provide details of the offer and said nothing had been decided.

"Basically, our U.S. sales subsidiary will continue marketing our products in North America, but we will have to decide if that will be enough as we expand our business in the future," he said.

"We will consider forming a sales joint venture in the United States if necessary," Oguchi said.

Electronic Arts declined comment on any potential tie-up.

"We think it is bad policy to discuss our distribution strategy in the public forum," an EA spokesman said.

The North American market has been a thorn in Sega’s side and Oguchi said the company also wants to reinforce the development of video games through alliances with local firms to attract a wider audience in the key U.S. market.

EA, one of Sega’s top rivals in the U.S., is a leader in sports simulation games and last year fended off a Sega challenge to its dominance in that sector.

"We have been badly beaten in the U.S. consumer video game market," said Oguchi, who was one of the principle developers behind hit Sega games such as the domestically popular Derby Owner’s Club.

"If we can’t resolve this on our own, then it’s better to join hands with someone."

Oguchi, 43, was appointed last week to replace Hideki Sato as part of the company’s effort to rebuild its credibility, which was battered by Sega’s recent wavering on merger talks.

Sega lost two merger candidates earlier this month when it scrapped three-month-long merger discussions with "pachinko" pinball-style game machine maker Sammy Corp as well as similar talks with video game maker Namco Ltd.

In addition to EA, Microsoft Corp has also been reported as a potential bidder for Sega but analysts said neither company would be interested in buying all of Sega, which would include its game arcade operations in Japan.

What they would want is a star development team or a franchise property - not the sales and marketing staff or the arcade game operations, an analyst

at a foreign brokerage said.

Oguchi denied speculation that Sega is in talks with Microsoft on a capital alliance but said "making a special or closer relationship" with a game console maker would be an option when the console makers launch their next-generation systems.

"We'll maintain our multi-platform policy, but we may make an arrangement with a console maker, such as providing our sports games only for a certain hardware," he said.

Analysts say Oguchi, who joined Sega straight from university in 1984, would be able to re-engineer the firm's development strategy, but he may face difficulties in boosting its weak balance sheet.

"My task for the first year is to achieve our financial target," Oguchi said.

## The Rough Play in Video Games

With the video-game business in the midst of a bruising fight, Nintendo Co. is beefing up its arsenal. Its latest weapon is Metal Gear Solid: The Twin Snakes, an action thriller featuring sword-wielding ninjas, antiterrorist commandos, and body parts flying in all directions. That's quite a departure for a company better known for characters such as the mild-mannered plumber Mario and Pokemon's lovable "pocket monsters." But without some blood and gore, Nintendo risks being picked off by archrivals Sony and Microsoft.

The company could use a secret weapon. Sure, the once-undisputed King of Gameland remains the world's largest game-software publisher, and it dominates the handheld game market with its hugely successful Game Boy Advance. But Nintendo has sold just 9.6 million GameCube video-game consoles since its launch in September, 2001, far short of its 13.8 million target. Market researcher NPDFunworld estimates that GameCube and Microsoft's Xbox each has a 15% share of the global market, while Sony's PlayStation 2 rules with 70%.

GameCube's disappointing debut is shooting holes in Nintendo's bottom line. For the fiscal year, ended on Mar. 31, Nintendo's net profit is expected to fall 38%, to $574 million, on a 10% decline in sales, to $4.3 billion. Final results were slated to be released on May 22. Nintendo President Satoru Iwata concedes that the year he has been in the job has been a challenge. "But then, that's what I enjoy," says Iwata, 43, a former game developer who joined Nintendo in 2000. "We need to feel a sense of crisis to bring out the best in us."

That sense of crisis has led Iwata to rethink Nintendo's business plan. Since taking over as president, he has moved to sharpen Nintendo's lineup of titles, moving into the more rough-and-tumble content the company once eschewed. The new version of Metal Gear Solid, developed exclusively for Nintendo by Japanese gamemaker Konami Corp. and expected to be released by yearend, is a first step. To maintain the momentum, Iwata has lined up a Star Wars epic from Lucas Arts Entertainment Co., a futuristic F-Zero car-racing game from Sega Corp., and dozens of other sports and action titles that will push Nintendo's software lineup from the current 180 to 320 by yearend.

But don’t expect Nintendo to add too much blood and guts. Iwata says the company will never depict Mario as a criminal, along the lines of Grand Theft Auto: Vice City, a top-selling PS2 title that follows car-swiping crooks. "I’m not saying others shouldn’t make such games, but Nintendo isn’t going to," he says.

Yet if Nintendo hopes to attract more of the boys and young men who are flocking to PS2 and Xbox, Iwata needs to come up with a more thrilling lineup of sports and adventure games, says HSBC Securities Japan Ltd. analyst Ben Wedmore. "Nintendo has to give the market more of what it wants," Wedmore says. "Today’s 11-year-olds aren’t going to buy Mario."

Nintendo seems to think those 11-year-olds will buy multiplayer games. At this year’s Electronic Entertainment Expo [E3] video-game conference in Los Angeles in mid-May, Nintendo introduced 10 titles controlled by Game Boys hooked up to GameCubes. While the players battle it out on the TV screen, their Game Boys give them secret strategy information that opponents can’t see. To boost console sales, Nintendo will now toss in a free Game Boy adapter with every GameCube. That should be good for software sales, too, Iwata says, since 1,200 titles are now available for the Game Boy.

At least Game Boy doesn’t need the same boost as GameCube. The handheld player is the brightest star in Nintendo’s firmament. The company has sold more than 120 million Game Boy and Game Boy Advance units and effectively owns the portable game machine market. Software for the players is jumping off the shelves, too: A new Pokemon series for the Game Boy has sold 3 million units in the U.S. and Japan since its release in March.

But even the Game Boy could end up being cannon fodder for Sony. On May 13, Sony surprised the industry with an announcement that it plans to launch the PSP, a handheld capable of playing PS2 games, by late 2004. "The PSP has the potential to eat into Nintendo’s monopoly" on handhelds, says Jay Defibaugh of Credit Suisse First Boston in Tokyo. Investors apparently agree. Nintendo’s share price has fallen by 15% since the Sony announcement.

Sony isn’t the only threat. Although the GameCube is neck-and-neck with the Xbox globally, the Microsoft machine has an edge in the key U.S. market and offers more processing power than the Sony or Nintendo consoles. Another concern is that Nintendo continues to stay clear of online gaming, while Sony and Microsoft are taking the plunge. "Consumers aren’t ready to pay for such services, so how do you make money?" asks Iwata. Microsoft thinks it can make plenty of money with Internet games, and so far, it has attracted 500,000 subscribers who pay $50 a year for its online-gaming service, Xbox Live. "I don’t think Nintendo is here for the digital-entertainment revolution," says Robert J. Bach, Microsoft’s Xbox chief. "They are a toy company."

Iwata firmly believes Nintendo has a future in digital entertainment, and he aims to prove it. He’s investing some of Nintendo’s $6 billion cash hoard to develop successors to both the GameCube and Game Boy. And Nintendo’s army of creators is hard at work on next-generation stars to replace the company’s aging lineup of Mario and Pokemon. With his experience on the creative side, Iwata may just have the skills to do that. But he’ll have to pack plenty of firepower if he hopes to fight his way back to the top of the video-game business.

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A-ONE's Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

## EBay Ordered to Pay $35M in Patent Case

A U.S. District Court jury on Tuesday ordered the online auction house eBay to pay $35 million for violating patents filed by a northern Virginia lawyer.

Jurors ruled for MercExchange, based in Great Falls, Va., which had claimed that its founder, Thomas G. Woolston, filed three patent applications in 1995 for programs and procedures to operate an Internet-based auction.

MercExchange filed suit in federal court in September 2001 accusing eBay of using Woolston's ideas to operate its online auction house, without his permission and without paying him.

EBay countered that the company's procedures didn't infringe Woolston's patents, and that those patents are unenforceable anyway because other people had proposed similar systems and methods before Woolston filed his applications.

The trial began April 24. The presiding judge said the case was one of the most contentious he had seen in nearly 20 years on the bench.

Both sides presented thousands of pages of briefs and reports from experts and disputed - sometimes almost line-by-line - the admissibility of the other side's evidence. The battling continued right up to the end of the trial, with both sides hotly disputing each other's proposed final instructions to the jury.

The level of contentiousness led U.S. District Judge Jerome B. Friedman to comment at a pre-trial hearing that it was not a question of if but when an appeal would be filed.

EBay, based in San Jose, Calif., said in its most recent annual report filed with the Securities and Exchange Commission that it "might be forced to pay significant damages and licensing fees, modify our business practices or even be enjoined from conducting a significant part of our U.S. business. Any such results could materially harm our business."

## U.S. Decides Against Microsoft Filing

The Justice Department has decided not to participate in the continuing legal fight involving two states that refused to settle antitrust claims against Microsoft Corp., possibly strengthening the appeals case by the holdout states.

The Justice Department notified the U.S. Circuit Court of Appeals in

Washington on May 21 that it will not file a brief in the case. The government earlier had indicated it might actively defend the landmark settlement it reached with Microsoft and 17 other states.

The decision means Massachusetts and West Virginia, which are seeking tougher sanctions against Microsoft, won't have to directly fight the U.S. government while they're battling the software giant in the courtroom.

Last week, the prospective head of the antitrust division promised the Senate that the Justice Department will watch Microsoft carefully for any violations of the settlement.

"We understand the need to be vigilant in making sure that the settlement is carried out," said R. Hewitt Pate, President Bush's nominee to be assistant U.S. attorney general. He also pledged to meet regularly with industry executives who might have concerns about Microsoft's conduct.

"If I am confirmed, we will continue to welcome input from those who think there are matters that need to be addressed," Pate said. "And I can assure you if we find anticompetitive conduct, we will take appropriate action to stop it."

Massachusetts and West Virginia want the appeals court to instruct the trial judge, Colleen Kollar-Kotelly, to impose tougher penalties against Microsoft than those included in the settlement. Those two states said the agreement "does not fulfill even the most basic mission of stopping all of the practices" committed by the software company.

Courtroom arguments before the appeals court will begin in November.

## Microsoft, AOL Settle for $750 Million

No. 1 software maker Microsoft Corp. on Thursday said it had settled a 16-month-long antitrust lawsuit with AOL Time Warner Inc., agreeing to pay the media giant $750 million, license its browser technology to AOL and work together on digital media distribution and technology.

The longtime rivals called the agreement a step that would lead to "more rapid deployment of digital media for consumers." It also marks the end of one of Microsoft's most contentious legal disputes following the software giant's final antitrust settlement with the federal government late last year.

Microsoft Chairman Bill Gates and Dick Parsons, AOL Time Warner's chairman and chief executive officer, were scheduled to hold a joint news conference call at 2:15 p.m. PDT.

AOL Time Warner's Netscape unit, known for its once-leading Netscape browser technology, had brought suit against Microsoft in January 2002, alleging that the Redmond, Washington-based software maker had violated antitrust law by unfairly promoting its Internet Explorer browser.

AOL's Internet service, however, uses Microsoft's browser technology. In Thursday's agreement, Microsoft agreed to license that technology to AOL, royalty-free, for seven years.

The two companies also said they would work together to develop digital

media technology that would give users better access to content such as music, videos and news.

"A lot has changed in the last few years, not only in the marketplace, but also for Microsoft and AOL Time Warner. We're pleased to reach this new agreement that's forward-looking and provides for a higher level of technical cooperation while, at the same time, the companies will continue to compete in a number of areas," Gates said in a prepared statement.

## Clock Ticks for Netscape After Microsoft Pact

Time may have run out for Netscape.

The pioneer of commercial Web browsers, the software used to view the Internet, was dealt a potentially mortal blow this week, when owner AOL Time Warner Inc. said it would use Netscape's archrival, Microsoft Internet Explorer, royalty-free for seven years.

The Explorer deal is part of a broader $750 million settlement of an antitrust dispute between AOL and Microsoft Corp. that is expected to forge closer ties between the two companies. AOL had accused Microsoft of using its monopoly power over computer operating systems against Netscape, which AOL bought in late 1998.

Netscape in its heyday launched the 1990s Internet mania, with an initial public offering that more than doubled the value of the company on the first day of trading.

In the mid-1990s, Netscape had as much as 90 percent of the Web browsing market, but its dominance dwindled as Microsoft featured its Microsoft Explorer along with its Windows operating system. Even Netscape's parent, America Online, turned to Explorer.

Forrester Research analyst Rob Enderle said that, now, it's only a matter of time before AOL sells Netscape. "Clearly the clock is ticking for Netscape as a Web property owned by AOL Time Warner," he said. "This is an asset that has become nonstrategic in a company that is doing some massive cost cutting."

Netscape executives declined to comment. AOL Time Warner Chief Executive Dick Parsons shed little light on the company's plans for Netscape. "We're still exploring other opportunities with Netscape," he said in announcing the deal. Asked if he was planning to sell the unit, he said, "Not at this point."

AOL Time Warner has told Wall Street it will pare its $26 billion net debt pile to $20 billion the end of 2004. Asset sales are expected to be part of that equation.

Netscape's market share of the browser market has dwindled to less than 3 to 4 percent of the market, Enderle estimates, dwarfed by Explorer's share of more than 90 percent.

Netscape has since been trying to reinvent itself as an Internet media network.

"I would expect Netscape to maintain its current business, but I wouldn't

expect anything new, as far as the browser is concerned," said a source familiar with the matter.

Ironically, months before America Online bought Netscape, it struck a deal to use the rival Explorer browser in America Online, the world's largest Internet service with more than 34 million subscribers. But throughout the dispute with Microsoft, it threatened to replace Explorer with Netscape.

"It's worth noting that AOL's threat to dump Explorer and use Netscape as its main browser probably kept the dialogue with Microsoft continuing," he added. "From that perspective, having Netscape helped AOL get the $750 million settlement."

Netscape has relied on a far-flung community of software developers that continue to improve its browser. This effort, which flies under the flag Mozilla, remains popular among hard-core Web users.

Forrester's Enderle argues that Netscape's real value is in its brand name. "It costs $10 million to build a brand," he said. "The brand is worth something to anyone who wants to present content over the Web. Heck, someone bought Napster."

The assets of Napster, the maverick music sharing software bankrupted by the record industry's legal maneuvers, were bought by CD burning software company Roxio Inc., which is planning to launch a legitimate service under the Napster brand name.

## Does Netscape Deal Mean 'Game over' for Open-Source Browsers?

Is the Microsoft-AOL Time Warner browser settlement the beginning of the end for open-source and alternative browsers? Does it represent a threat to the open standards of the Internet? What about the fate of Mozilla.org, the open-source group tightly connected with Netscape? All these questions are on the minds of alternative-browser industry insiders as the ramifications of Microsoft's settlement with AOL began to sink in.

Microsoft has agreed to pay US $750 million to AOL Time Warner to end the antitrust suit revolving around anticompetitive practices in the Web-browser market. AOL Time Warner is the owner of Netscape, the Web browser that once dominated the market but now has less than a 5 percent share. As part of the agreement, AOL won the option to use Microsoft's Internet Explorer technology for Web browsing on a royalty-free basis for seven years.

The industry consensus is that the settlement puts an end to the Netscape browser - finally - and any future development. "Netscape has been dead for a few years," Ken Smiley, a director at Forrester Research, told NewsFactor. "AOL hasn't been able to get any enterprise support for Netscape since 2000."

"[Microsoft] is paying Netscape for having killed them off," Jon Vonttzchner, CEO of Oslo, Norway-based Opera Software, told NewsFactor. "This means AOL is getting out of the browser business," Vonttzchner added. "If Netscape isn't going to be continued, that's sad."

But the cooperation between Microsoft and AOL-Time Warner could be good for the browser market in some ways, Dirk Mueller, lead developer of the HTML

renderer for the open-source Konqueror browser, told NewsFactor.

"In principle, cooperation is good, if it means that both browsers will support the same feature set and handle erroneous input in the same way," Mueller said. "This will make our life much easier." At the same time, Mueller said, the pact could be a negative if it means "subscribing more sites to content-delivery protocols and formats that are proprietary and not available to alternative browsers." Certain types of proprietary browser plugins, for example, only work with Internet Explorer.

"The status quo is pretty good: most of the Web is browsable with any browser," Mueller said. "I have no reason to believe that this will change just because the AOL-Microsoft lawsuit is over."

Although the settlement decreases competition in the overall browser marketplace, it could mean more users for alternative browsers like Opera, which first hit the market at about the same time as Netscape, Vonttzchner said. "It's not good for competition to have one less player. This settlement makes it more important what we do," Vonttzchner said. "If Netscape is gone it puts more pressure on us to provide a solid alternative."

Among other platforms, Opera is available for Mac and Linux. It faces stiffer competition on the Mac side since the release of Apple Computer's Safari browser, which is based on open-source KHTML code.

Vonttzchner said the Opera browser, which costs about US $39 purchased over the Web, is making headway in Europe and Japan, and also making significant strides as a full-fledged Web browser running on mobile phones. The Opera browser is being used in Sony Ericsson's P800 phone and in an interactive TV box from PlatC2, a Japanese company.

Accomplishing any market share inroads against Microsoft/AOL will be extremely difficult, however. "Alternative browsers haven't had a significant market share for a couple of years," Vonttzchner said.

The biggest competitive blow to the alternative browser market could be to Mozilla.org, the open-source browser development group partly funded by AOL-Time Warner. Although Mozilla.org is an independent and nonprofit organization, it was started by Netscape, and Netscape employees make up a significant portion of its developers.

Mozilla.org could not be reached immediately for comment.

"I don't know that it marks the end of Mozilla, but there's not much of a market for open-source browsers," Forrester's Smiley said. When Netscape first came out, it was seen as a new interface for the PC, but over the years, it has been treated by most users as just another desktop application, he noted.

Open-source browsers - particularly native Linux browsers - will persist as an alternative, Smiley said. But whether there is a tangible demand for them outside the enthusiast market is another question. "Our enterprise clients are still not considering open-source initiatives on the desktop," Smiley said. "Since the browser is tied to the desktop, the same fate is true for the browser as well."

According to Konqueror's Mueller, however, there will still be a place for open-source and alternative browsers, and they will continue to be used. Internet Explorer is not compliant with W3C standards, he said, which is

needed in projects that have to work on many platforms. Additionally, Internet Explorer has "blatantly huge security holes due to ActiveX scripting," Mueller pointed out.

"We're providing an implementation that is truthfully open in every way and compliant to accurately documented, open Web-technology standards," Mueller said.

## Microsoft Loses City of Munich Deal to Linux

The city of Munich said on Wednesday it would switch 14,000 computers from Microsoft's Windows operating system to rival Linux in a deal estimated to be worth tens of millions of euros.

The decision is a blow to U.S. giant Microsoft, whose chief executive Steve Ballmer had personally campaigned for Microsoft's counter-offer to the city, based on Windows XP.

Microsoft has created two funds to discount its products against the emerging Linux software, which is eating into its most profitable business.

"This strategic decision makes Munich less dependent on one IT supplier and sets a trend toward more competition," Munich mayor Christian Ude said in a statement.

Analysts said Munich's decision to choose open source software, which means Linux, was a breakthrough.

"It is one of the largest desktop migrations to Linux ever seen," said Gartner Dataquest analyst Nikos Drakos in London.

Linux suppliers welcomed the move by of one of Germany's largest cities, where many of the country's biggest corporations have their headquarters.

"You can compare this to the fall of the Berlin Wall," said Richard Seibt, Chief Executive of Linux software provider Suse. Suse is bidding for the Linux contract together with International Business Machines Corp.

Linux is considered by many to be the only big rival to Microsoft's Windows and can already be found on 15 percent of all computers sold in Western Europe.

A Microsoft spokesman in Munich said his company was still at hand if the city found that certain units could not switch over to Linux. "Some applications do not run on Linux," he said.

The Munich decision comes as the German government is installing Linux throughout certain ministries and public institutions.

In the northern state of Lower Saxony, 11,000 police computers will be switched from Microsoft Windows to Linux from next year, according to the interior ministry.

Companies and governments are increasingly opting for Linux, written by Linus Torvalds and further developed on the Web with the help of thousands of volunteer programmers, because it is a stable software and not controlled by just one company.

Hundreds of companies distribute the software, charging little or nothing for the core software, but taking fees on modifications, services and maintenance.

IBM and Suse declined to give the value of the bids for their Linux offerings.

Media have reported that Microsoft's offer of about 27.3 million euros ($32.3 million) had been almost three million euros below that of the Linux competitor, but the city had still chosen Linux for strategic reasons.

Microsoft confirmed it had offered discounts for the total project, but declined to give details.

## SCO Says It Will Show Code in Linux Dispute

SCO Group Inc., in a dispute with IBM and others over claims its intellectual property rights to the Unix operating system have been violated by competing software, on Friday said it will begin to open its code in a bid to show it has been improperly used.

On a conference call with reporters and analysts, Darl McBride, the president and chief executive of Lindon, Utah-based SCO, said the company was willing to give proof to the technology industry and others that code from Unix appears in the Linux operating system as well.

SCO has alleged that companies including International Business Machines Corp. have abused its intellectual property rights by taking code from Unix and including it in the Linux derivative.

Linux is the major rival to Unix and Microsoft Corp.'s Windows software. In recent years it has overtaken Unix in the marketplace, mostly because Linux distributors charge little or nothing for the core software and instead make their money on modifications, services and maintenance.

Microsoft licensed the rights to Unix from SCO in a deal earlier this month. Analysts have said controversy around Linux and intellectual property rights could benefit Linux competitors like Microsoft.

McBride said SCO would start showing the disputed pieces of software code to analysts and reporters under nondisclosure agreements next week.

"We hope this step will be of benefit to the software community, as they will have the opportunity to see the tip of the iceberg of the evidence SCO has gathered," McBride said.

Novell - which sold the Unix technology to SCO in 1995 - has said SCO never owned the copyrights and patents to the Unix software. SCO has claimed it owned the contracts and as such had the contractual right to prevent bits of Unix from being used in Linux.

"We strongly disagree with Novell's position and view it as a desperate measure to curry favor with the Linux community," McBride said. "I have turned the Novell matter over to our attorneys. Over the coming weeks we will take all steps we deem appropriate to rectify the issues."

A Novell spokesman told Reuters that McBride's comments were the first the company had heard of any possible legal action against it. Novell has not taken any legal action against SCO.

Though Linux has come in a number of versions over the years, SCO executives said they were for now only focused on the most recent versions.

"We're specifically concerned about version 2.4 of the Linux kernel and beyond," Chris Sontag, the senior vice president of the SCOsource unit, said on the call.

## Industry, Politicians, User Groups Call For National Spam-Killing Measures

A broad coalition of industry, end-users and politicians is searching hard for a governmental or technological means to end to the scrouge of spam. The would-be spam killers came before a hearing this week of the Senate's Committee on Commerce, Science, and Technology. Senators heard from America Online, from spam-filtering provider Brightmail and from the Federal Trade Commission, which has tracked huge increases in consumer complaints about unwanted, junk e-mail.

"It's time to take back the Internet from the spammers. Enough is enough," Sen. Charles Schumer (D-N.Y.) told the committee.

While almost everyone agreed that spam is bad, agreement ground to a halt on that point.

Among the ideas that surfaced during the hearing were ones for more legislation, an international anti-spam treaty, and even a tax on e-mail, all aimed at curbing the number of unsolicited messages dropping into inboxes.

Both Microsoft and Symantec, for instance, offered up proposals they said would stem spam. Microsoft Chairman Bill Gates said sent a letter, proposing the adoption of a 'trusted seal' program that would require mailers to accurately identify themselves and hold fast to a set of guidelines if their messages were to get past anti-spam filters.

A similar idea, pitched by the ePrivacy Group to last month's hearing on spam held by the FTC, takes into account recently-introduced bills, such as the so-called CanSpam bill from Senators Conrad Burns (R-Mont.) and Ron Wyden (D-Ore.). It would require marketing messages to carry the letters 'ADV' in their subject headings.

But in his written testimony, Gates didn't see this tactic, or any one tactic in particular, as being able to drive down the volume of spam. Along with such self-regulation - the strategy actually preferred by direct marketers who rely on e-mail - he also sees the need for additional legislation, and a global oversight body to regulate a set of guidelines for e-mailing.

Symantec, meanwhile, also filed a letter with the committee, but took a different, more conservative tack. John Thompson, the chairman and CEO of Symantec, urged that more emphasis be put on anti-spam technology, that current anti-fraud laws be enforced, and that a uniform federal law be

enabled to bring consistency to the fight.

"Spam is in many cases a technology problem," said Thompson, a natural statement coming from a company that itself produces technology products and services to filter spam. "Greater deployment of filtering software by Internet service provides and by consumers will block a significant amount of spam traveling on a network's infrastructure," he added.

Other ideas came from Sen. Mark Dayton (D-Minn.), who suggested that a small fee be levied on every piece of e-mail in an attempt to force spammers to shoulder higher costs, and ideally, back off from their massive mailings. The idea is to make the per-message cost small enough, he said, to make it palatable to consumers and businesses, but large enough that in high volume, it would deter the millions of messages some spammers spew.

Schumer, who has already lobbied for a 'no-spam' registry similar to the 'no-call' lists that telemarketers must abide by, went one step further on Wednesday by calling for an international spam treaty. Without one, he said, any law enacted in the U.S. would simply cause spammers to flee to other countries, where they could still bombard users with junk mail.

"What was a simple annoyance last year has become a major concern this year and could cripple one of the greatest inventions of the 20th century next year if nothing is done," Schumer said.

But the highlight of the hearing was Ronald Scelson, a noted mass mailer - some call him the 'Cajun Spammer' - who regaled the audience with tales of how many messages his e-marketing company, Slidell, La.-based Scelson Online Marketing, sends out every day and how easy it is to avoid attempts by companies and individuals to filter out the chaff from the wheat.

Scelson boasted that he typically sends out between 120 million and 180 million messages every 12 hours, a veritable tidal wave of mail touting products from herbal remedies to anti-virus software.

And after Enrique Salem, president and CEO of Brightmail, crowed about the effectiveness of his company's latest filtering technology, Scelson jumped in to claim that it took him just 24 hours to figure out a way to beat the Brightmail filters.

Even Scelson had a legislative proposal: require all e-mail clients to feature a 'no bulk e-mail' setting that, when checked, would bounce bulk messages back to the sender.

## Major Internet Standards Group Working On Fast Plan To Can Spam

The Anti-Spam Research Group is working on a plan to end spam.

That's not the interesting part. Everybody has a plan to end spam these days.

But the work the Anti-Spam Research Group is doing is different. The ASRG has the prestige to get its proposals put in place. The group is affiliated with the Internet Engineering Task Force (IETF), which sets the standards for the fundamental technologies that make the Internet possible.

The ASRG expects quick results, with initial technologies that will take a

big bite out of spam being deployed within months, and other key technologies being deployed in one to two years. Within two years, ASRG chairman Paul Judge said he expects to see the proposed "consent-based communications framework" in place for e-mail, although work would be ongoing to keep it up-to-date.

"One of the advantages we have is that the entire community is involved," said Judge, who is also chief technology officer for e-mail filtering service provider CipherTrust. "This is a unique situation, where competing companies are working on the same problem, including large Internet service providers and e-mail security companies. We have an opportunity to deploy solutions in an effective and quick cycle here."

Among the technologies being standardized by the ASRG are:

Simple authentication technology for e-mail, which Judge said will likely be implemented by Internet service providers and enterprise mail systems within several months, making it difficult for spammers to hide behind falsified sender addresses.

"Trusted sender" technology to identify e-mail senders who can be trusted not to send spam and other unwanted e-mail.

Reputation systems to allow everyone on the Internet to cooperate in identifying good and bad e-mail senders. - similar to the reputation management systems used by buyers and sellers to rate each other on eBay.

Interfaces for client-side tools to allow end-users to report spam, and opt out of legitimate e-mail that they no longer wish to receive.

Developing a set of best practices for challenge-response e-mail systems, which are gaining popularity but which have the potential to create problems.

A proposal to allow end-users to charge senders a fine using micropayments for sending unsolicited e-mail, if it turns out the end-user didn’t want to get the e-mail.

A major principle being used by the ASRG is to avoid getting into arguments about the definition of spam. Since different groups have different definitions of spam, the ASRG is sidestepping the question and instead focusing on developing technologies to allow e-mail administrators and end-users to avoid unwanted e-mail, which would include spam, newsletters once subscribed to but now no longer desired, and all other forms of e-mail that the users don’t want to receive.

A second principle being followed by the ASRG is that they’re looking to extend existing e-mail technology, rather than replace it, Judge said.

One of the first steps being taken is to introduce lightweight authentication and accountability into e-mail. Currently, it’s easy to forge any information in an SMTP transaction, including the sender. "A spammer sitting somewhere in the world claims that his messages are from joe@yahoo.com, and sends a half a million messages in a spam flood," Judge said. Recipients find it difficult to figure out the real source of the e-mail. "Another problem is that joe@yahoo.com may be a real e-mail address out there. As the spam is sent, he is blamed for the spam." The real joe@yahoo.com gets inundated with a flood of error messages and complaints.

The ASRG is standardizing technology called Reverse MX, which would allow

a mail server receiving a message to query the domain that a message purports to be from, asking if the server that sent the mail is authorized to send from that domain. The Reverse MX service would be an add-on to the existing Domain Name Service (DNS). Microsoft, Yahoo and America Online are jointly working on similar technology, and the ASRG is working with the three big consumer Internet service providers to ensure interoperability, Judge said.

Judge said he expects Internet service providers and enterprise e-mail systems to implement Reverse MX within several months, as a simple add-on to existing mail systems. At that point, it will become significantly more difficult to forge the sender addresses of e-mail.

The ASRG is also looking into standardizing means for e-mail senders to express that the recipient has given consent to receive the e-mail, Judge said. The ASRG is looking into tokens that could be embedded into e-mail, which would demonstrate that the receiver of the mail gave his permission to receive it. Existing encryption technologies would make the tokens practically unforgeable, Judge said. These sort of "trusted sender" programs are being pushed forward by several organizations: The ePrivacy Group and E-Mail Service Provider Coalition are working on trusted sender programs, called the Trusted E-Mail Open Standard (TEOS) and Project Lumos, respectively. In a recent U.S. Senate Commerce Committee hearing, Microsoft Chairman Bill Gates sent a letter endorsing creation of a federally overseen trusted sender program. And Habeas takes a different tack at trusted sender: rather than encrypting a token in e-mail, Habeas puts a plain-text haiku into headers of its clients' e-mail, and then sues companies using copyright law if they abuse the Habeas terms of service.

Reputation systems being standardized by the ASRG would allow mail servers to share information about e-mail senders. Bouncebacks and complaints would be shared between e-mail servers, and the information would be used to allow e-mail administrators to set policies on which servers they'd receive e-mail from, and which servers to block. The reputation system would be implemented in a decentralized way, similar to the existing, open source Vipul's Razor spam-filtering network, Judge said. Razor is implemented commercially in CloudMark software. CipherTrust introduced its own version of reputation-management technology for e-mail in March.

Judge said he expects reputation management systems to be standardized in one to two years.

The ASRG is also working on some standardized interfaces for client-side technology. "There are definitely advantages to some systems that have a 'This Is Spam' button," Judge said. "But one thing that we noticed is that, for systems like Yahoo and AOL that have a 'This Is Spam' button, people often use it to indicate messages that they actually signed up for at some point. Rather than go through the process of unsubscribing, they report it as spam. End-users think, 'If I press this button, the system will stop delivering it to me, and that's a lot easier.'" The ASRG is working on developing standard for an "Opt Out" button, that will sit next to the "This Is Spam" button, and allow end-users to unsubscribe from the e-mail they no longer wish to receive. "We're looking at methods of standardizing an opt-out protocol," Judge said.

Judge said he expects standard "this is spam" and "opt out" technologies to be available within a year.

The ASRG divides e-mail control systems into three categories: deterrence, prevention and detection. Traditional spam-blocking systems focus on

detection, or finding spam. Messages are innocent-until-proven-guilty, assumed legitimate until and unless spam-blocking software tags the messages as spam.

Prevention-based systems take the opposite approach, creating "whitelists" of approved senders and types of e-mail and assuming all unknown e-mail is undesired. These include challenge-response systems, where unknown e-mail senders automatically receive responses requiring them to take some action - send a reply, fill out a Web form - that allows their messages to be released for delivery. Challenge-response systems have been implemented by companies including MailBlocks and Sunbelt Software, and Earthlink is reportedly testing challenge-response systems for its members.

Challenge-response systems work well with consumers who exchange e-mail with a static group of people, not so well with business users who might receive important e-mail from people they've never corresponded with before, Judge said. "In the enterprise, the list of people you communicate with is dynamic. People e-mail to ask for more information about a product, and what are you going to do, send a challenge back to make them prove they are not spammers?" Judge said. "For one company we work with, a single order might be worth $10 million, and they cannot afford to miss a message. One missed message can cost this company $10 million."

Moreover, challenge-response systems can create problem for users subscribed to mailing lists, can break down if two users with a challenge-response systems attempt to communicate with each other, and add to the overall network traffic burden created by spam.

The ASRG is working on a set of best practices and recommendations for challenge-response systems.

And the ASRG is looking into micropayment systems designed to shift the cost of e-mail from the receiver to the sender. One proposal, form AT&T, is called Spam Harassment Reduction Via Economic Disincentive (SHRED). SHRED would be applied only to unsolicited e-mail. The end-user can charge senders a per-message fine for unsolicited messages that the end-user does not want to receive. That fine would be paid to the receiver's Internet service provider or to the enterprise, to cover the cost of processing unsolicited e-mail.

Microsoft has proposed a system similar to SHRED, which it calls Penny Black.

An"ybody would have the ability to send any amount of unsolicited bulk e-mail they wish, but they would have to be willing to pay the cost," Judge said.

Judge said government regulation and legislation should be used to make it illegal to attempt to circumvent or forge the measures put in place for consent based e-mail systems, similar to existing legislation and regulations governing computer attacks and intrusion prevention.

## Adobe Introduces New Acrobat Versions

Adobe Systems this week introduced a new version of Acrobat for Windows and the Macintosh, with technology designed to enhance its usefulness for workgroups. The company also introduced a new version of the software for

the Palm operating system.

The Acrobat 6.0 line includes Acrobat 6.0 Professional, designed for business, creative and engineering professionals who work with complex or graphically rich layouts. Acrobat 6.0 Standard is designed to help workgroups simplify document reviews. And Acrobat Elements is designed to be an inexpensive Adobe PDF creation utility.

The company also introduced Adobe Reader 6.0 software, an upgraded and renamed version of the free Acrobat Reader, available for download from the Adobe Web site.

Acrobat 6.0 Professional and Acrobat 6.0 Standard are available now for common Windows versions and Mac OS X v10.2.2, with an estimated streeet price of $449. The Standard edition has an estimated street price of $299, and Elements is priced at $28 per seat for a 1,000-seat license.

The new Palm version is available for free from the Adobe Web site.

## Microsoft Pulls XP Update Over Glitch

Microsoft Corp. withdrew a security improvement for its flagship Windows XP software after it crippled Internet connections for some of the 600,000 users who installed it.

Microsoft officials said Tuesday the update - which had been available as an option since Friday on its "Windows Update" Web site - apparently was incompatible with popular security software from other companies, such as Symantec Corp.

Microsoft said Internet connections failed immediately for an unspecified number of more than 600,000 computers using Windows XP who downloaded and installed the update. Consumers could reconnect only by removing the update, which promised to improve reliability for types of secure Internet connections commonly used by corporations.

The glitch occurs amid a debate in Washington among cybersecurity experts whether the technology industry should test the reliability and security of such updates more aggressively. Hackers can easily attack government systems where updates aren’t installed routinely, but some experts install them only reluctantly because of worries about unintended consequences of some updates.

A White House plan completed this year instructed the General Services Administration to work with the Homeland Security Department to study the effects of software patches on hundreds of computer programs. The plan said the government will share its findings with the technology industry.

That provision fell short of earlier drafts of the White House plan, which urged industry to create its own testing center that would make sure updates don’t cause additional security problems. Some experts complained it wasn’t feasible because of the complexity of studying millions of possible hardware and software combinations.

Microsoft was still investigating the latest glitch, which affected an obscure security technology in Windows. The update should have allowed traveling executives, for example, to connect more securely and more

reliably from a hotel room back to their corporate computer networks.

Microsoft said the changes it made complied with the latest industry standards, and said early indications linked the problems to some popular third-party products, such as protective firewall software sold by other companies.

Microsoft would not say how many of its customers reported problems but said it was a small number. The company pulled the update from its Web site over the Memorial Day weekend; officials could not say when the update might be available again.

"Most systems didn't crash; they simply lost network connectivity," said Michael Surkan, a Microsoft program manager for its networking communications group. "There were hundreds of thousands of people who downloaded this, and we know of only a handful of people who had the problem."

Because the software update was considered a security improvement and not an urgent repair, it was available only to customers who specifically visited the Windows Update site Friday. Other repairing patches can be delivered automatically to consumers.

## Online Divorce Growing in Popularity

Offering a simpler and cheaper path to divorce, an ever-growing array of dot-coms, computer-savvy lawyers and state court officials are encouraging unhappily married Americans to arrange their breakups online.

For fees ranging from $50 to $300 - a small fraction of what most lawyers charge even for an uncontested divorce - couples are being provided with the appropriate forms and varying degrees of help completing them.

The phenomenon is spreading. Rival firms CompleteCase.com and LegalZoom.com each say they have served 20,000 clients nationwide in less than three years of operation. Hits on the divorce section of the California court system's do-it-youself Web site soared from 6,800 in May 2002 to about 15,000 last month.

"It's similar to the growth of online travel services and online stock trading," said Brian Lee, president of Los Angeles-based LegalZoom. "People are learning they don't need a travel agent or a stockbroker or a lawyer - they can do it themselves."

Many clients may still have to appear in court, but - in theory at least - they will have all required paperwork with them and will be able to represent themselves.

"For me, it was a purely economic decision," said John Chang, 33, of South Pasadena, Calif., who paid LegalZoom $300 to help him obtain an uncontested divorce last year.

"I filled out the forms in the course of a night - it took three hours - and saved $2,000," he said. "When you don't have children or a lot of assets, it's the way to go."

But reactions to the trend vary. Some religious leaders are dismayed that

divorce can be made even easier. The American Bar Association wants to ensure that dot-coms don’t engage in the unauthorized practice of law, and is studying how its members can serve divorcing couples without high fees.

"A lot of what’s happening is a very understandable rebellion against how expensive it is to go through the court process," said Sandra Morris, a San Diego lawyer who is president of the American Academy of Matrimonial Lawyers.

"Divorce lawyers view online services the same way doctors view self-help health books," she said. "If it’s a minor problem, maybe it’s OK to use over-the-counter remedies. But if there’s any possibility of it being more complicated, it’s a substantial risk to do it yourself."

The do-it-yourself services acknowledge that online divorce doesn’t work when spouses disagree on any substantive issue. Linda Elrod, a professor at Washburn University School of Law in Topeka, Kan., said couples who have children, complex finances or even a pension plan to be divided should consult a lawyer.

Even in a supposedly uncontested online divorce, each spouse should be cautious, Morris advised.

"Very often in a marital relationship, there’s not a complete balance of knowledge and power," Morris said. "In an effort to settle in an amicable way, they may be settling more in one person’s way than the other."

Some dot-com services simply provide forms for clients to fill out - MyLawyer.com, for example, charges $49.95 for most state divorce forms. CompleteCase gathers information from clients through its own questionnaires, and its employees then complete the official forms for $249.

"When it comes out of your computer, it looks like a lawyer prepared it," said CompleteCase CEO Randy Finney.

The major online companies all state on their Web sites that they are not law firms and don’t sell legal advice.

However, the ABA’s eLawyering Task Force has questioned whether some online clients may falsely conclude - based on sales pitches - that their divorce forms will undergo substantive review by a lawyer.

Richard Granat, a Maryland attorney who founded MyLawyer.com, says the ABA should encourage its members to provide less expensive, divorce-related services that can compete with non-law online companies.

Trying to force online divorce outfits out of existence will just reinforce the "negative image of the legal profession," he said.

Finney, an attorney himself, said traditional divorce lawyers shouldn’t be worried by competition from companies like his CompleteCase.

"The bread and butter for divorce lawyers is the contested case, where the fees start at $3,000, $4,000," he said. "A little uncontested case is not that big a piece of the action."

For leaders of the Marriage Movement - a coalition of religious and other groups seeking to promote strong marriages - online divorce is part of a lamentable trend.

"Almost everything we've done in the last 200 years has made divorce easier," said Mike McManus, founder of a Potomac, Md., organization called Marriage Savers. "You want to slow down the process, not speed it up."

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